

Property/Casualty exposures

FINANCIAL INSTITUTIONS

More solutions let you serve broader customer needs

ATM's

Typical insurance property forms provide coverage for ATMs that are at a covered location of the bank. However, that coverage is generally not extended to ATMs that are situated at different or "remote" locations, such as a grocery store or an office building. Travelers offers protection for both types of ATMs with the ability to customize the limits to fit the bank's needs.

Foreclosed properties

Travelers offers property/casualty protection for properties a bank becomes responsible for through foreclosure.

Trust properties

Many banks have a trust department or offer trust administration as a part of their services. The bank acts, in a fiduciary capacity, as the trustee that handles assets of others according to the terms of the trust agreement. Travelers can provide property/casualty coverage for such trust properties. Our coverage protects both the bank, while acting in its fiduciary role as trustee, along with the individual trust itself and the trust beneficiaries.

Leasing operations

Many financial institutions offer leasing arrangements to companies or individuals who finance their acquisition of business equipment or vehicles via a long-term lease. The companies or individuals who are leasing the equipment or vehicles (lessees) are responsible for obtaining/maintaining appropriate property/casualty insurance on those items. However, the bank has a contingent exposure as owner of that equipment or vehicle(s). Travelers can offer specific coverage that protects the bank if the insurance required of the lessee is not valid and/or collectible at the time of a loss.

Business income and extra expense

Because of the nature of services offered by financial institutions, it is imperative that they continue operations as soon as possible after a loss occurs. Consequently, coverage for the extra expenses that are needed to make this happen is just as critical as protection for the financial institution's loss of earnings. Travelers offers combined protection for loss of earnings and extra expenses by aligning coverage limits with each particular type of loss.

With property/casualty coverage through Travelers SelectOne+SM, you can gain confidence that your financial institution clients are protected from a wide range of property/casualty exposures. Our property/casualty products cover your clients' financial interests in real and personal property, as well as the liabilities related to their operations.

Lender's single interest collateral property

When a bank loans money to customers for the purchase of personal property (e.g., cars, boats, RVs, etc.), it will generally require that the property being purchased be pledged as security for the satisfaction of the debt. Thus, the property becomes collateral. The bank has an insurable interest in that collateral property, equal to the amount of the outstanding loan balance. Lender's single interest collateral property coverage was designed to protect a bank's security interest in collateral property that has been repossessed and has been found to be damaged, making it worth less than the outstanding loan balance.

Mail insurance

The business of banking involves sending securities, check drafts and other similar types of negotiable and non-negotiable instruments through the mail. This property, while it is in the mail, is excluded from a bank's bond coverage unless the loss is due to employee theft. And coverage available through the U.S. Postal Service (USPS) usually has insufficient limits and will not fully cover the value of the property mailed. Mail insurance provides protection for the bank's exposure to this type of loss.

Mortgageholder's errors and omissions/impairment

Mortgageholder's errors and omissions coverage provides property protection should such a loss occur and the bank has failed to obtain/maintain valid insurance coverage on property on which it has provided a mortgage, or property it either holds in trust or that is held due to a mortgage foreclosure. This insurance also provides protection for the bank should it commit an error or omission in the paying of (or failure to pay) insurance premiums or real estate taxes on those properties for which it holds such funds in escrow

Mortgageholder's impairment coverage may be added as an endorsement to this protection. This coverage protects the bank should a loss occur when someone other than the bank is responsible for the placement of insurance coverage on the mortgaged properties and fails to do so. This allows the bank to transfer the responsibility of maintaining valid insurance coverage on mortgaged properties to the mortgagee, as well as to be protected from that mortgagee's error or omission.

Repossessed autos

Travelers offers coverage for autos that are repossessed by a bank. This includes autos that are in the process of being repossessed, those that are held for sale after they've been repossessed and those that are awaiting delivery to a buyer(s) after the bank has sold them. The bank may choose from the various coverage grants offered within this protection, including auto liability, collision and comprehensive coverage.

Security interest errors and omissions

Provides first-party protection for a financial loss that a bank incurs at the time of a default on a loan, should it find its security interest on the defaulted property impaired due to an unintentional error or omission by one of its employees during the securitization process. And, as a result, the bank is unable to exercise any or lesser rights to that property.

Why Travelers

- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability
- With offices in every U.S. state, we possess national strength and local presence
- Our dedicated underwriters, risk control specialists and claim professionals offer extensive industry and product knowledge

Travelers knows financial institutions.

To learn more, talk with your independent insurance agent or visit travelersbond.com.



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Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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